Business Plan

2017–2018

Department of Agriculture

NOVA SCOTIA

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Budget 2017–2018: Business Plans

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Minister's Message

In a world that is hungry for the high-quality products made by Nova Scotia farmers and producers, it's an exciting time to be working with our province's agriculture sector. Our commitment to seeing Nova Scotians choosing our own products more often and to succeeding in international trade is greater than ever.

In the Calgary Statement from Canada's agriculture ministers last July, we affirmed the commitment of all levels of government to support the growth of agriculture through a new policy framework taking the place of Growing Forward 2 when it concludes in 2018. The next policy framework will help farmers adjust to change and grasp new opportunities by focusing on: markets and trade; science, research and innovation; risk management; environmental sustainability and climate change; value--added agriculture and agri--food processing; and public trust.

We are seeing progress as our wine industry continues to grow in importance and draw attention to Nova Scotia as a destination for food and wine. In this fiscal year, we will continue to move forward with our four-year, $12 million commitment to support the industry in its growth plans through the Vineyard and Wineries Investment Program. Our targeted investment helps the industry plant more grape acreage, pursue research and development, explore quality standards and develop new export markets.

Our commitment to innovation remains strong and is supported through the work of provincial crown corporation Perennia and its industry-led board. Helping new agri-food businesses take root, promoting research on climate adaptation and supporting the increase in our honey bee population by leading the Atlantic Tech Transfer Team for Apiculture are just a few examples of the exciting work happening there.

Nova Scotia benefits from a strong tradition of farming and farmers' markets and Select Nova Scotia encourages Nova Scotians to include local products in their grocery basket whenever possible. We want to see an even stronger connection fostered between local consumers and our farmers so we can be confident of the security of our food supply now and into the future.

Working together with farmers, processors and exporters we can ensure that Nova Scotia's agriculture sector prospers along with the rural communities that benefit from its jobs and economic activity.

Sincerely,

Original signed by

The Honourable Keith Colwell, E.C.N.S.
Minister of Agriculture

Mandate

The Department of Agriculture's mandate is the development of competitive, sustainable and profitable agriculture and agri-business industries that contribute to the economic, environmental and social prosperity of Nova Scotia's rural and urban communities.

The mandate letter for the Minister of Agriculture commits the Minister to increase product innovation and development, and turn under-utilized land and sea resources into high value products.

The Department will work to eliminate barriers to growth for agriculture related sectors and will collaborate with the Office of Regulatory Affairs and Service Effectiveness to reduce regulatory burden where appropriate.

Key initiatives and the core services of the Department of Agriculture are driven by five strategic themes:

- Enabling responsible economic growth
- Supporting research and innovation
- Building public trust and market acceptance
- Increasing trade and market access
- Encouraging value added opportunities

Department Priorities

In support of its mandate, the Department will undertake the following activities in the 2017-18 fiscal year:

- Invest $3.5 million in Nova Scotia's grape and wine industry through the Vineyard and Wineries Investment Program. The second year of the four-year, $12 million program includes support for improved efficiency and expansion of vineyards and wineries, innovation through targeted research projects, development of export market opportunities, and quality enhancement.

- In collaboration with the federal government, the Department supports the growth and development of the wild blueberry industry through the final year of the three-year, $1 million Lowbush Blueberry Development Program. This program aims to improve industry competitiveness and adaptability by supporting increased industry production capacity and the adoption of more efficient and effective production practices, allowing the industry to remain cost-competitive on the global fruit market. In the first two years of the program, 125 projects have been funded for just under $650,000.

- The Apple Industry Growth and Efficiency Program is a partnership between the Department and apple growers, designed to encourage innovation through orchard renewal. This program will help apple growers with their initial capital investment to plant their orchards with new higher value varieties (mainly honeycrisp), that will help industry to increase production and the capture of new markets to be more profitable. Just under $1 million has been utilized and over 215,000 new trees planted in the first half of the program, with 2017-2018 being year four of the six-year investment initiative.

- With the support of the Department's annual grant of $2.5 million and additional project based funding, Perennia Food and Agriculture Inc. ("Perennia") works to help farmers, fishers, and food processors be more prosperous and profitable by offering services in the field, in quality and food safety and for product development and commercialization. In 2017-2018, projects between Perennia and the Department will include a partnership with ThinkFARM to develop resources specific for new entrants to farming and a collaboration with industry to assess and determine new grape varieties as well as innovative production and management practices to further advance the Nova Scotia's wine industry.

- The Department supports the training of agriculture leaders, researchers and innovators in the agriculture and agri-food sector through its annual investment in Dalhousie University's Agricultural Campus. This investment will help drive research and innovation in the agriculture and agri-food industry to meet the needs of industry. The relationship also facilitates excellent collaborations between industry, the Department, and Perennia, providing greater opportunity for research, knowledge and technology transfer.

- Within the context of trade agreements, such as the Canada-European Union Comprehensive Economic and Trade Agreement (CETA), the Department will continue to target new trade opportunities, including international trade missions, to increase exports in the agri-food sector. Efforts to expand agriculture and agri-food exports to China will be a focus in 2017-18. The Department is working with the wild blueberry and the wine industries to grow our markets. The Department is participating in the new Trade Implementation Committee, a provincial inter-departmental group created in January 2017, to support trade agreement implementation, including enforcement, compliance and trade promotion.

- The Department will negotiate the Next Policy Framework in 2017-2018 through a Federal-Provincial-Territorial multilateral agreement and a. bilateral agreement between Nova Scotia and Canada. The new framework will focus on six priorities areas: markets and trade; science, research and innovation; risk management; environmental

sustainability and climate change; value-added agriculture and agri-food processing; and public trust.

Core Functions

There are a number of core services and programs the Department provides that support its overall mandate, strategic themes and government priorities. Highlights of these actions include:

- Through the final year of the five-year Growing Forward 2 ("GF2") cost-sharing agreement, support will be provided through programming related to agriculture and agri-food industry innovation, competitiveness and market development, and industry adaptability and capacity.

- Business Risk Management (BRM) programs under GF2 help farmers manage risk due to severe market volatility and disaster situations. This includes a robust Crop and Livestock Insurance Program, delivered by the Department. The Department also supports industry with access to AgriRecovery, AgriInvest, and AgriStability, federally delivered programming under GF2. AgriStability is specifically designed to provide disaster assistance when producers incur large financial losses beyond their control. The blueberry and mink industries, two of agriculture's largest sectors, are facing significant drops in their market prices, triggering payments from this program.

- The Department continues its on-going maintenance and operation of the more than 240 kilometre provincial dyke system which protects significant provincial infrastructure. The Department is also making capital improvements in response to climate change projections and aging infrastructure. A focus on risk assessments, geotechnical considerations and the effective management of capital investments helps modernize the management of the dyke system and marshland it protects. Projects in 2017-2018 include: the Fundy Dyke Agricultural Risk Assessment in partnership with New Brunswick under the National Disaster Mitigation Program; Risk Proofing Nova Scotia Agriculture in partnership with the Nova Scotia Federation of Agriculture; and Fundy Agricultural Marshland Flood Maps, also with New Brunswick.

- ThinkFARM provides support to beginning and transitioning farmers by facilitating access to programs and advisory services, supporting education and networking opportunities, and conducting research on issues affecting the success of new farmers in the province. This program impacts the *Environmental Goals and Sustainable Prosperity Act* target of growing the number of farms by five percent in Nova Scotia by 2020. In 2017-2018, results of the Barriers to Growth research project will help inform the development of a strategy to address the needs of new and beginning farms.

- The Department's laboratory services continue to provide ISO accredited laboratory testing to support public and animal health and inform industry on production management decisions.

- Animal and Crop Services supports the safety and security of food production through the delivery of traceability and biosecurity programs, the growth of the blueberry and honey bee industries, and initiatives related to agriculture pests. Through its partnership with the Nova Scotia Federation of Agriculture, the Department helps deliver an environmental farm management program.

- The Department offers veterinary services in animal diagnostics and disease surveillance as well as administers the Livestock Health Services and Herd Health Services programs to support healthy livestock management in the Province.

- Select Nova Scotia (SNS) is a provincial marketing program intended to add value for local businesses by helping Nova Scotians understand the importance of buying local. The Department coaches clients with products identified for retail through the SNS/Sobeys and other retail partnerships. Select clients are supported in their efforts for export readiness via a strong partnership agreement with Taste of Nova Scotia.

- The Department builds leadership development that empowers skilled, engaged and responsible leaders for groups and organizations, such as 4-H initiatives for youth.

- The Department participates in the Pan Atlantic Agricultural Research Innovation Initiative (AARII) to encourage regional (Atlantic) cooperation to address similar challenges and opportunities. The funded project outcomes must be mutually beneficial to the regions and enhance improved profitability, competitiveness and sustainability of the agricultural and agri-food sectors in Atlantic Canada. To date, the initiative has supported four projects. Nova Scotia has two projects before the AARII committee for funding in the 2017-2018.

- As a leader in agricultural lending, the Nova Scotia Farm Loan Board will invest up to $35 million in the development of agriculture and agri-rural business throughout the Province. Review is underway to update the Board's regulatory and policy framework in order to enhance Board effectiveness in addressing industry changes; improve service quality; develop innovative and creative programs and financing solutions; and alleviate undue risk to Board investments.

- The Agricultural Awareness program promotes a positive image of Nova Scotia agriculture to the public to build understanding and appreciation of the industry and to encourage youth and others to consider careers in agriculture.

- The Natural Products Marketing Council (NPMC) regulates the production and marketing of pork, beef and potatoes and manages the effective functioning of the supply managed sector in Nova Scotia which include dairy, eggs, chicken and turkey. This sector represents approximately fifty percent of Nova Scotia's farm gate value. Significant regulatory changes will occur throughout the year strengthening the legislative framework to support the commodity groups under NPMC's jurisdiction.

- The Department provides agriculture clients and rural organizations with Extension and Outreach Services that are focused on industry competitiveness and delivered through a coordinated approach across the Province. Core objectives include outstanding client service, partnerships, leadership development, cooperation and collaboration with the goal of growing the industry, strengthening communities and creating a sustainable and profitable agricultural industry.

- The Department delivers services to support industry capacity, research and development, and competitive transition, in order to help with sector development and innovation initiatives. These opportunities are strengthened with advisory services for clients across the value chain.

Performance Measures

Our performance measures demonstrate how the strategic actions of the Department are making progress towards achieving the mandate, core functions and goals of the Department.

Department Priority	Outcome	Goals	Performance Measure
Enabling Responsible Economic Growth	Industry is advancing towards operating at its fullest potential and resources are managed in a responsible manner, creating greater prosperity for generations to come.	Increase the value of agricultural production in the province	Farm Cash Receipts Current Value: $582.4 million (2015)
Supporting Research and Innovation	Industry is increasing its competitiveness through the acceleration of innovation and adoption of new technologies.	Increase labour productivity within the primary and processing sectors in the industry	Agriculture Labour Productivity (GDP/hr. labour) Current Value: $23.25 GDP/hr. labour (2015) Agri-food Processing Labour Productivity (GDP/hr. labour) Current Value: $38.88 GDP/hr. labour (2015)
		Increase the profitability of farms within Nova Scotia	Agriculture Operating Margin Current Value: 12.53% of Farm Cash Receipts (2015) Agri-food Processing Operating Margin Current Value: 9.70% of agri-food manufacturing revenues (2015)

Building Public Trust and Market Acceptance	Consumer awareness of agriculture production and the benefits of eating and buying local and the identification of Nova Scotia food products is growing.	Increase the value of agri-food products produced for and consumed by Nova Scotians	EGSPA Local Food Consumption Current Value: 15.3% of Money Spent by Nova Scotians on Locally Produced Food (2015)
Increasing Trade and Market Access	Industry is fostering a strong reputation for producing high quality food and is well positioned to build on established trade linkages and develop new ones.	Increase the value of agricultural and agri-food exports from Nova Scotia	Agricultural and Agri-food Exports Current Value: $350.3 million (2015)
Encouraging Value-added Opportunities	Industry is working cooperatively along the supply chain to deliver added value to Nova Scotia food products.	Increase the value-added and processing opportunities within the province	Agri-food Processing Revenues Current Value: $1,171.5 million (2015)

Departmental Expenses Summary

($ thousands)

Programs and Services	2016-2017 Estimate	2016-2017 Forecast	2017-2018 Estimate
Senior Management	688	686	697
Policy & Corporate Services	46,696	50,663	47,629
Agriculture & Food Operations	12,833	12,768	13,442
Total - Departmental Expenses	60,217	64,117	61,768
Ordinary Recoveries	5,827	6,096	5,991
Funded Staff (# of FTEs)			
Department Funded Staff	168.62	159.42	169.62

Note:
For Ordinary Revenues, see Estimates and Supplementary Detail Book, Chapter 2
For TCA Purchase Requirements, see Estimates and Supplementary Detail Book, Chapter 1